(c) the steps taken by Government in response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) the Sensex closed at 3150 on September 11, 2001. In the days following the terrorist attack on the WTC, New York, the Sensex fell and closed at a low of 2600 on September 21, 2001. This was an eight year low. On September 7, 1993, the Sensex had closed at 2533.

(b) The Sensex fell by around 15% in 10 trading days between September 11, 2001 and September 25, 2001. Subsequently, the Sensex has recovered and closed at 3180 on 15th November, 2001. Rise and fall in share prices is a market phenomenon and the resultant loss or gain is national and is inherent to all stock markets.

(c) In the aftermath of event in the US and after consultations between SEBI and the two exchanges, BSE and NSE, the following was decided:

1. The market will remain open.
2. The market wide index based circuit breaker shall be kept at the level of 10% of the fall in BSE Sensex and S & P CNX Nifty of the pre-announced index levels and further relaxation shall not be permitted.
3. The 53 individual securities in the derivative segment on which currently exchanges apply a price filter at the level of 20% for the purpose of order verification, would now be reduced to the level of 10% and orders beyond this level will not be accepted/approved by the trading system of the exchanges.
4. The price bands on other scrips shall remain unchanged.
5. All the above decisions will apply till further orders.

As can be seen from the movement of the BSE Sensex, the stock market has since stabilized, the Sensex closed at 3180 on November 15, 2001, higher than the level on September 11, 2001.

Impact of Afghanistan war

207. SHRI NANA DESHMUKH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the backyard war in Afghanistan would inflate oil prices, affect Indian import and export and also bring rupee under pressure; and

(b) if so, what timely measures are being taken to avert major jolts to the economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Impact of the Afghanistan war would depend upon various factors including state of the global economy, performance of the domestic economy, the intensity, duration and location of the war and supply responses of major petroleum oil producers. So far, downturn in the global economy and sluggish global energy demand have resulted in a decline in international oil prices from over $28 per barrel on 11 September, 2001 to below $20 per barrel currently. Continuation of such low oil prices would provide relief to our oil imports and the balance of payments. Although exports are likely to be affected by the global slowdown, exports to Afghanistan may not be affected significantly as Afghanistan accounts for a miniscule share of our total exports. Similarly, the exchange rate of rupee per US Dollar also does not seem to have come under any significant pressure so far as the rupee has appreciated by 0.3 per cent on November 15, 2001 over September 17, 2001 level (the level reached in the wake of terrorists attacks in USA).

(b) Measures taken to reduce volatility and to stabilise domestic markets include RBI's assurance to provide the market with adequate foreign exchange to meet any supply-demand gap, opening of a purchase window for select Government securities on an auction basis, permission to Indian companies to increase the FII investment limit upto the sectoral caps/statutory ceiling, as applicable, introduction of a special financial package for large value exports of six select products which are internationally competitive and have high value addition, reduction of interest rates (by one percentage point) on pre-shipment and post-shipment rupee export credit for a period of six months and reduction of bank rate by half a percentage point.

Revenue and expenditure trend of finance

208. DR. MANMOHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) the revenue and expenditure trends of Central finances thus far in the current fiscal years;

(b) whether these figures indicate a slippage of revenue and fiscal deficit targets as well as plan expenditure targets contained in the Budget documents as presented in February, 2001;